

V. J. ELMORE

5c 10c & 1.00 STORES, INC.
BIRMINGHAM, ALA.

Founded 1925

Annual Report
Jan. 28, 1956

More

FOR MORE VALUE

PRESIDENT'S LETTER

To The Stockholders

March 20, 1956

It is my privilege to submit this report of the Company's thirtieth year of operation to you the owners of the Company, to our many business friends, and to those who comprise the personnel of our Company.

This has been a successful year of operation. Economic conditions have been favorable but the results achieved can be attributed largely to proper merchandising; the alert and coordinated store operations under efficient supervision; and the improvement and maintenance of our physical assets.

The balance sheet statement as at January 28, 1956, and a statement of profit and loss for the fiscal year ending that date are included in the report. Reference to the profit and loss statement discloses sales of \$8,311,724 reflecting an increase of \$1,081,385 over the preceding year. This represents the highest dollar sales volume for any year in the history of the Company. On the next page there is set forth a chart relative to sales dollars and how these dollars were used. This should prove interesting and informative.

Net profit for the year was \$426,037. Dividends were paid in keeping with sound business policy and to permit a reasonable retention of funds for expansion through acquisition of additional stores, improvement of existing stores and to provide a margin in case of reverses.

There are now sixty-five stores in operation. The West Point, Georgia, store mentioned at our 1955 stockholders' meeting is now in operation. An additional unit has also been acquired by purchase of an operating store at Cullman, Alabama.

The policy of modernizing and improving our existing stores is being continued. This is essential to the maintenance of efficient service to our customers and to the fortification of our competitive position. There are several remodeling jobs in process and others contemplated. This is in addition to our routine maintenance operations. It is the intention to take advantage of opportunities for expansion in the way of additional stores where suitable locations can be obtained and funds are available in keeping with the policy of our Company.

The installation of air conditioning and the conversions of stores to check-out or self-service units can be regarded as a major factor in store improvement. The conversions of stores to check-out units was mentioned at our annual meeting last year. There are now nine stores so operating and these operations have proven satisfactory. This represents a departure from the conventional type set-up of our stores, and, as such, prompted a conservative approach to the adoption of check-out systems of operation. With the favorable experience, however, and a study of like operations of stores similar to our's, we now feel justified in proceeding with additional conversions. With respect to air-conditioning, progress is being made; those stores more in need of such equipment being given preference.

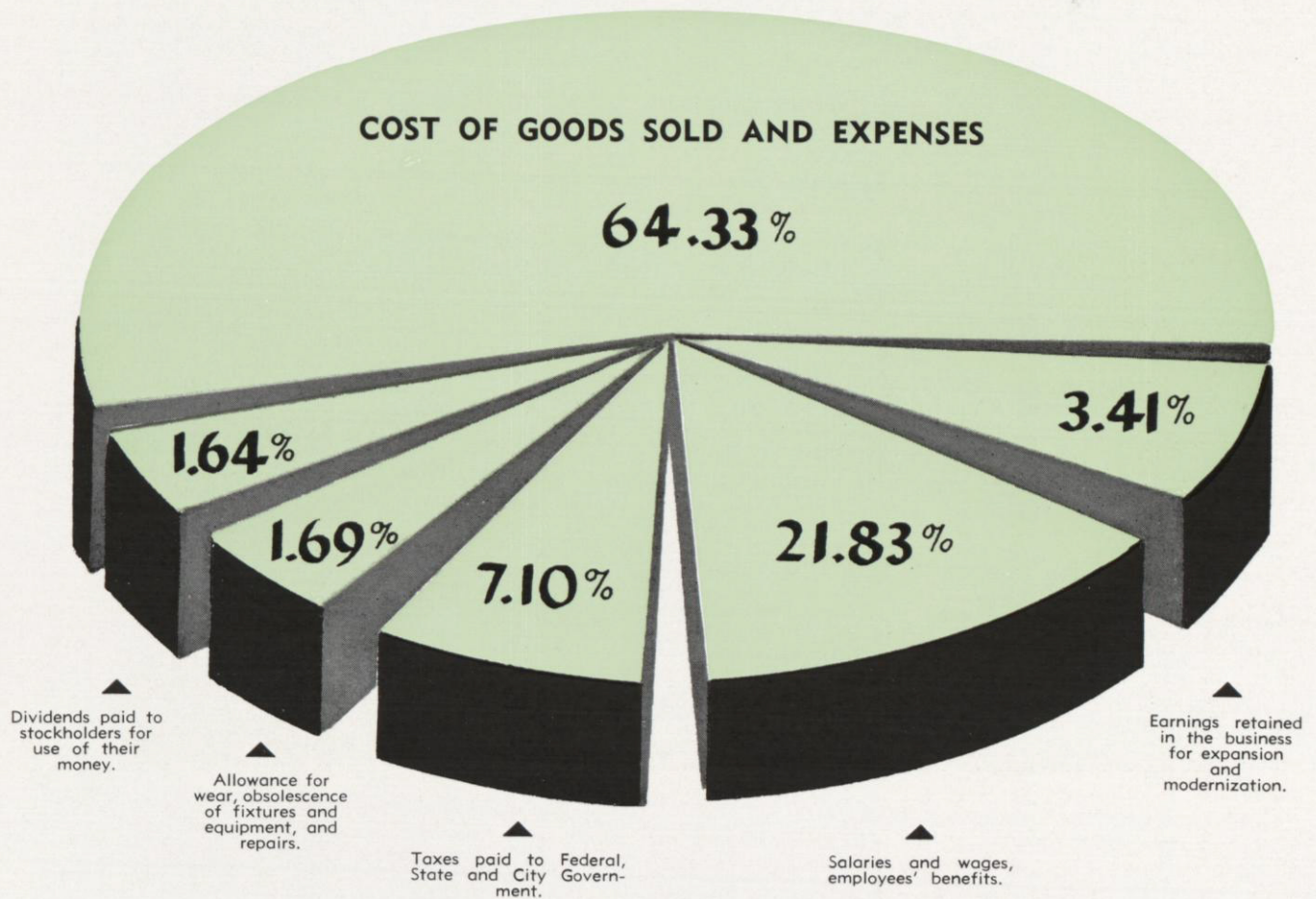
I again wish to make grateful acknowledgment to the personnel of our organization for their loyalty and efficient service. It is pleasing to note the high standard of performance on the part of this personnel and the adherence of executives to policies conducive to progress with safety of operation. I wish to thank the Directors and Stockholders for their counsel.

With best wishes to each of you, this report is respectfully submitted.

Mrs. V. J. Elmore

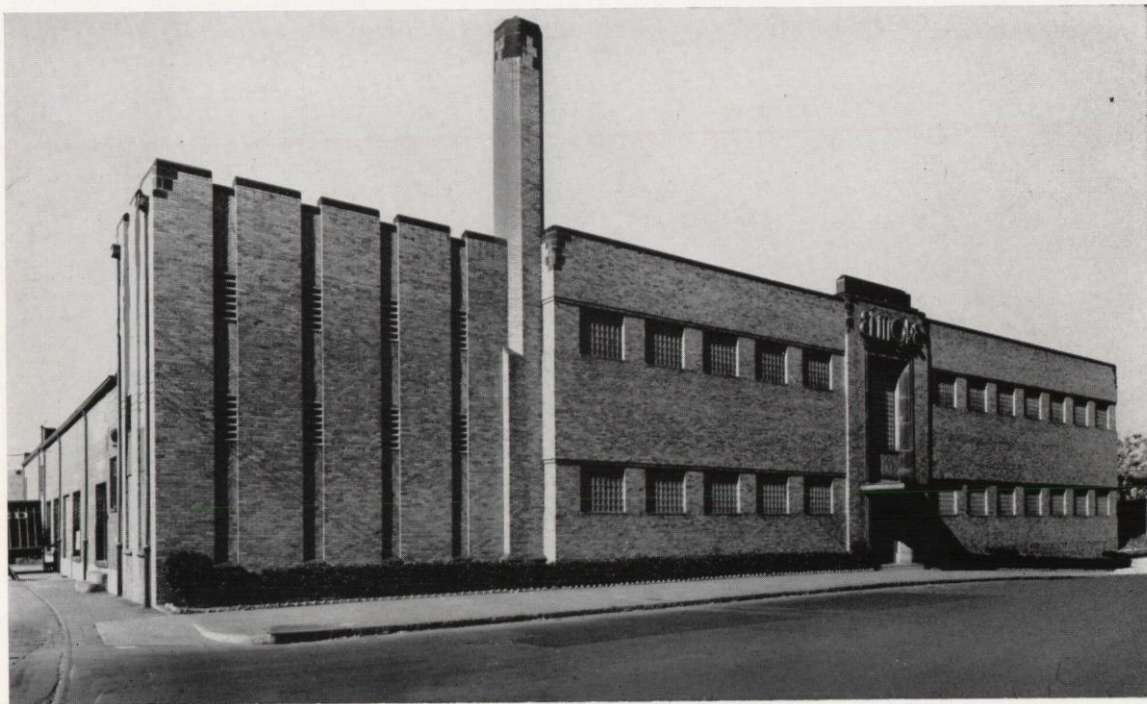
President

HOW OUR SALES DOLLARS WERE USED IN 1955



HOME OFFICE & WAREHOUSE

10 SOUTH FOURTEENTH STREET
BIRMINGHAM, ALABAMA



Our home office building was completed on March 1, 1941, and with subsequent additions now contains 36,000 square feet of warehouse space on the ground floor. Executive and buying offices are located on the second floor with suites of offices arranged for each department. The entire office area is equipped with year-round air conditioning and fluorescent lighting.

ACCOUNTANTS-AUDITORS
MANAGEMENT SERVICES

ERNST & ERNST
1300 FIRST NATIONAL BLDG.
BIRMINGHAM 3, ALA.

OFFICES IN PRINCIPAL CITIES
ASSOCIATES IN FOREIGN COUNTRIES

Board of Directors
V. J. Elmore 5c, 10c and \$1.00 Stores, Inc.
Birmingham, Alabama

We have examined the financial statements of V. J. Elmore 5c, 10c and \$1.00 Stores, Inc., for the fiscal year ended January 28, 1956. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and related statements of income and surplus present fairly the financial position of V. J. Elmore 5c, 10c and \$1.00 Stores, Inc., at January 28, 1956, and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

March 12, 1956

Ernst & Ernst

Assets

January 28, 1956,

| | January 28, 1956 | | January 29, 1955 | |
|---|------------------|-------------|------------------|-------------|
| CURRENT ASSETS | | | | |
| Cash | | \$1,088,890 | | \$ 823,072 |
| United States Government securities—at cost plus interest accrued | \$ 499,386 | | \$ 700,602 | |
| Less federal and state taxes on income—estimated .. | 442,733 | 56,653 | 387,000 | 313,602 |
| Trade accounts receivable | | —0— | | 1,640 |
| Merchandise inventories: | | | | |
| At stores—at cost as determined by the retail in- ventory method | \$1,252,917 | | \$1,136,243 | |
| In warehouse—at lower of cost (first-in, first-out basis) or market | 358,841 | | 349,563 | |
| In transit—at cost | 53,994 | 1,665,752 | 55,819 | 1,541,625 |
| Prepaid expenses | | 102,974 | | 13,443 |
| TOTAL CURRENT ASSETS | | \$2,914,269 | | \$2,693,382 |
| INVESTMENTS AND OTHER ASSETS | | | | |
| Marketable securities held in escrow at January 29, 1955—at cost plus interest accrued | \$ 44,108 | | \$ 44,108 | |
| Other securities—at cost plus interest accrued | 9,627 | | 9,327 | |
| Cash surrender value of life insurance | 6,985 | | 6,546 | |
| Sundry accounts receivable | 559 | 61,279 | 1,988 | 61,969 |
| LAND, BUILDINGS, AND EQUIPMENT—at cost | | | | |
| less allowances for depreciation and amortization | | | | |
| Land | \$ 19,354 | | \$ 18,000 | |
| Office and warehouse building and paving | \$ 194,004 | | \$ 194,004 | |
| Store building | 10,800 | | —0— | |
| Fixtures and equipment | 710,168 | | 562,959 | |
| Automobiles and trucks | 64,466 | | 59,789 | |
| Improvements to leaseholds | 143,938 | | 119,735 | |
| | \$1,123,376 | | \$ 936,487 | |
| Less allowances for depreciation and amortization .. | 437,918 | | 344,464 | |
| | \$ 685,458 | 704,812 | \$ 592,023 | 610,023 |
| | | \$3,680,360 | | \$3,365,374 |

BALANCE SHEETS

Liabilities

and January 29, 1955

| | January 28, 1956 | January 29, 1955 |
|--|--------------------|--------------------|
| CURRENT LIABILITIES | | |
| Accounts payable and accrued expenses: | | |
| Trade accounts | \$ 177,407 | \$ 212,673 |
| Salaries and bonuses | 97,859 | 46,231 |
| Pay roll taxes and taxes withheld from pay rolls .. | 16,592 | 15,546 |
| Sales and retailers excise taxes | 22,246 | 14,364 |
| | \$ 314,104 | \$ 288,814 |
| Federal and state taxes on income—estimated | \$ 442,733 | \$ 387,000 |
| Less United States Government securities | 442,733 | 387,000 |
| | —0— | -0- |
| TOTAL CURRENT LIABILITIES | \$ 314,104 | \$ 288,814 |
| CAPITAL STOCK AND SURPLUS | | |
| Capital stock: | | |
| First preferred stock, par value \$100 a share (entitled to \$100 a share plus accumulated dividends upon liquidation): | | |
| Authorized 3,683 1/2 shares, issued and outstanding: | | |
| 830 shares of 7% cumulative | \$ 83,000 | \$ 83,000 |
| 2,806 1/4 shares of 5% cumulative | 280,625 | 280,625 |
| | \$ 363,625 | \$ 363,625 |
| Common stock, Class "B"—no par value, stated value \$16 2/3 a share, dividends of \$1 a year cumulative, preferred over other common stock only as to dividends: | | |
| Authorized, issued and outstanding | | |
| 6,000 shares | 100,000 | 100,000 |
| Common stock, Class "A"—no par value, stated value \$16 2/3 a share: | | |
| Authorized, issued and outstanding | | |
| 2,500 shares | 41,667 | 41,667 |
| | \$ 505,292 | \$ 505,292 |
| Capital surplus | 16,235 | 16,235 |
| Earned surplus | 2,844,729 | 2,555,033 |
| | 3,366,256 | 3,076,560 |
| | <u>\$3,680,360</u> | <u>\$3,365,374</u> |

STATEMENTS OF PROFIT AND LOSS

Years Ended January 28, 1956
and January 29, 1955

| | Fiscal Year Ended | | Increase Decrease* |
|---|-------------------|---------------|-----------------------|
| | Jan. 28, 1956 | Jan. 29, 1955 | |
| Net sales..... | \$8,311,724 | \$7,230,339 | \$1,081,385 |
| Cost of goods sold..... | 5,197,199 | 4,523,630 | 673,569 |
| | \$3,114,525 | \$2,706,709 | \$ 407,816 |
| Selling and administrative expenses..... | 2,349,207 | 2,073,221 | 275,986 |
| | \$ 765,318 | \$ 633,488 | \$ 131,830 |
| Other income..... | 129,730 | 105,364 | 24,366 |
| | \$ 895,048 | \$ 738,852 | \$ 156,196 |
| Other deductions..... | 1,154 | 403 | 751 |
| INCOME BEFORE TAXES ON INCOME | \$ 893,894 | \$ 738,449 | \$ 155,445 |
| Taxes on income: | | | |
| Provision for the year—estimated: | | | |
| Federal normal income tax and surtax..... | \$ 454,500 | \$ 374,200 | \$ 80,300 |
| State income taxes..... | 15,500 | 12,800 | 2,700 |
| Overprovision for prior years..... | 2,143* | 1,460* | 683* |
| TOTAL TAXES ON INCOME | \$ 467,857 | \$ 385,540 | \$ 82,317 |
| NET INCOME | \$ 426,037 | \$ 352,909 | \$ 73,128 |
| Provision for depreciation and amortization included above: 1956—\$107,375; 1955—\$86,177. | | | |

*Indicates red figures.

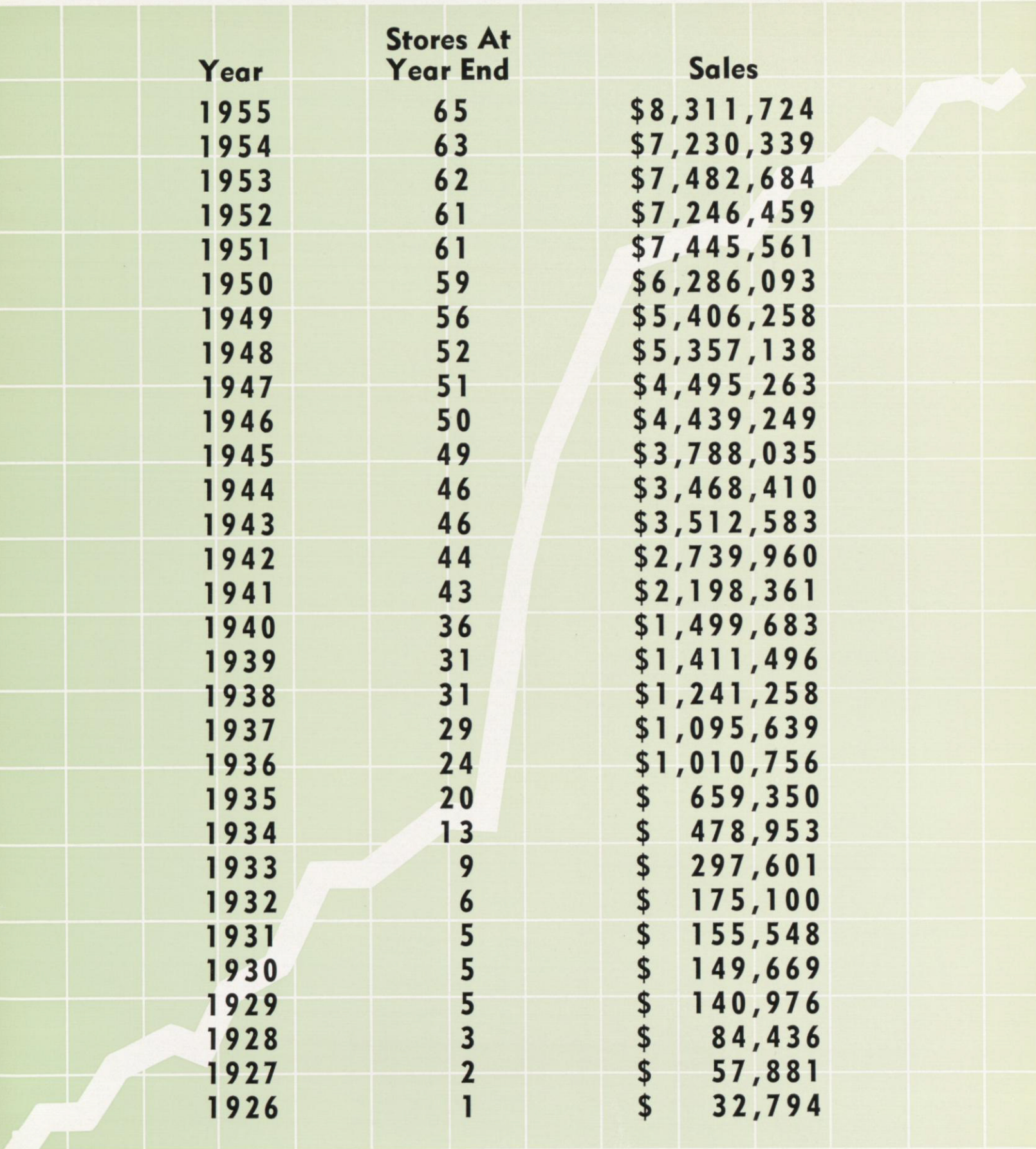
STATEMENTS OF SURPLUS

Years Ended January 28, 1956
and January 29, 1955

| | Fiscal Year Ended | | Increase Decrease* |
|--|-------------------|---------------|-----------------------|
| | Jan. 28, 1956 | Jan. 29, 1955 | |
| CAPITAL SURPLUS | | | |
| Balance at beginning and end of year (no change during the year)..... | \$ 16,235 | \$ 16,235 | \$ -0- |
| EARNED SURPLUS | | | |
| Balance at beginning of year..... | \$2,555,033 | \$2,338,545 | \$ 216,488 |
| Add net income for the year..... | 426,037 | 352,909 | 73,128 |
| | \$2,981,070 | \$2,691,454 | \$ 289,616 |
| Deduct: | | | |
| Cash dividends paid: | | | |
| On 7% preferred stock (\$7 a share)..... | \$ 5,810 | \$ 5,810 | \$ -0- |
| On 5% preferred stock (\$5 a share)..... | 14,031 | 14,031 | -0- |
| On Class "A" common stock (\$25 a share)..... | 62,500 | 62,500 | -0- |
| On Class "B" common stock (\$9 a share)..... | 54,000 | 54,000 | -0- |
| | \$ 136,341 | \$ 136,341 | \$ -0- |
| Excess of cost of 47 1/4 shares of 5% cumulative preferred stock acquired over par value thereof..... | -0- | 80 | 80* |
| | \$ 136,341 | \$ 136,421 | \$ 80* |
| Balance at end of year | \$2,844,729 | \$2,555,033 | \$ 289,696 |

*Indicates red figures.

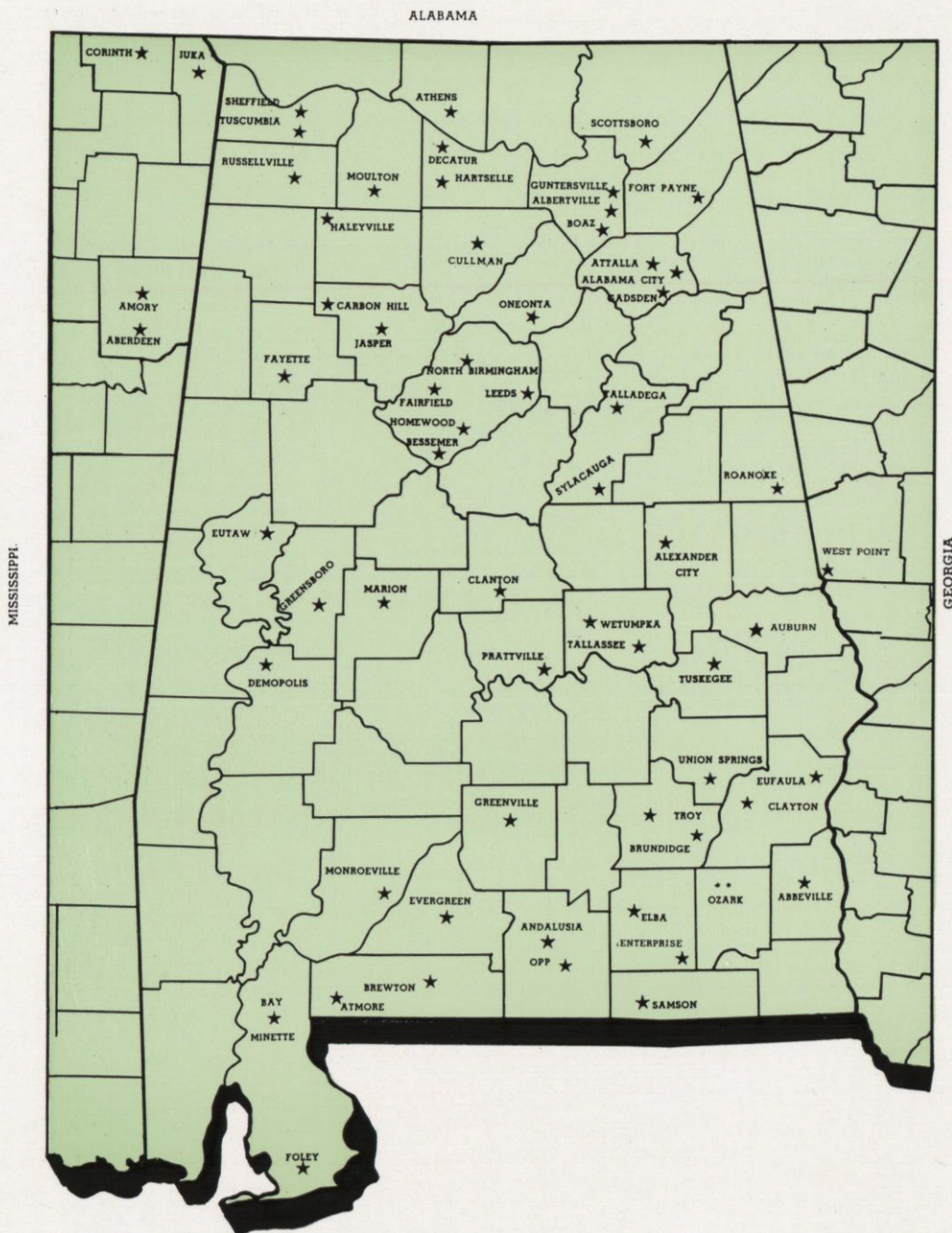
SALES 1926-1955



| Year | Stores At Year End | Sales |
|------|-----------------------|-------------|
| 1955 | 65 | \$8,311,724 |
| 1954 | 63 | \$7,230,339 |
| 1953 | 62 | \$7,482,684 |
| 1952 | 61 | \$7,246,459 |
| 1951 | 61 | \$7,445,561 |
| 1950 | 59 | \$6,286,093 |
| 1949 | 56 | \$5,406,258 |
| 1948 | 52 | \$5,357,138 |
| 1947 | 51 | \$4,495,263 |
| 1946 | 50 | \$4,439,249 |
| 1945 | 49 | \$3,788,035 |
| 1944 | 46 | \$3,468,410 |
| 1943 | 46 | \$3,512,583 |
| 1942 | 44 | \$2,739,960 |
| 1941 | 43 | \$2,198,361 |
| 1940 | 36 | \$1,499,683 |
| 1939 | 31 | \$1,411,496 |
| 1938 | 31 | \$1,241,258 |
| 1937 | 29 | \$1,095,639 |
| 1936 | 24 | \$1,010,756 |
| 1935 | 20 | \$ 659,350 |
| 1934 | 13 | \$ 478,953 |
| 1933 | 9 | \$ 297,601 |
| 1932 | 6 | \$ 175,100 |
| 1931 | 5 | \$ 155,548 |
| 1930 | 5 | \$ 149,669 |
| 1929 | 5 | \$ 140,976 |
| 1928 | 3 | \$ 84,436 |
| 1927 | 2 | \$ 57,881 |
| 1926 | 1 | \$ 32,794 |

LOCATION OF V. J. ELMORE STORES

ALABAMA
GEORGIA
MISSISSIPPI



V. J. ELMORE

Stores and Managers

For January 28, 1956

| Date Opened | Town | Manager |
|----------------|----------------------|--------------------------|
| 1925 | Clanton, Ala. | J. C. Parr |
| 1927 | Jasper, Ala. | G. R. Dunlap |
| 1928 | Wetumpka, Ala. | R. M. Martin |
| 1929 | Haleyville, Ala. | J. D. Northcutt |
| 1929 | Russellville, Ala. | O. O. Fowler |
| 1932 | Alexander City, Ala. | J. W. Plyler |
| 1932 | Hartselle, Ala. | J. T. Rinehart |
| 1932 | Athens, Ala. | M. L. Ward |
| 1933 | Andalusia, Ala. | J. C. Macon |
| 1934 | Tuskegee, Ala. | William Murner, Jr. |
| 1934 | Marion, Ala. | Monroe Franklin White |
| 1934 | Demopolis, Ala. | J. E. Pullen |
| 1934 | Greenville, Ala. | J. T. King |
| 1935 | Union Springs, Ala. | Xemon Hill |
| 1935 | Samson, Ala. | Wesley Bowen |
| 1935 | Prattville, Ala. | Cecil Cook |
| 1935 | Troy, Ala. | H. R. Hutson |
| 1935 | Eufaula, Ala. | J. D. Estes |
| 1935 | Atmore, Ala. | F. B. Littleton |
| 1935 | Bay Minette, Ala. | J. F. Rain |
| 1936 | Brundidge, Ala. | Mrs. Elizabeth F. Carter |
| 1936 | Clayton, Ala. | Jiles H. Spears |
| 1936 | Evergreen, Ala. | J. S. Livengood |
| 1936 | Brewton, Ala. | C. O. McAllister |
| 1937 | Albertville, Ala. | J. D. Henry |
| 1937 | Oneonta, Ala. | O. M. Partain |
| 1937 | Greensboro, Ala. | William C. Essary |
| 1937 | Boaz, Ala. | W. H. Dixon |
| 1937 | Opp, Ala. | Woodie L. Speaks |
| 1938 | Fort Payne, Ala. | G. R. Rinehart, Jr. |
| 1938 | Alabama City, Ala. | H. P. Collins |
| 1940 | Talladega, Ala. | W. T. Camp |

| Date Opened | Town | Manager |
|----------------|--------------------|-----------------------|
| 1940 | Monroeville, Ala. | J. F. Wade |
| 1940 | Birmingham, Ala. | J. D. Cleere |
| 1940 | Aberdeen, Miss. | J. M. Logan |
| 1940 | Amory, Miss. | J. O. Ferrell |
| 1941 | Guntersville, Ala. | George McCluney |
| 1941 | Eutaw, Ala. | Leon Davis |
| 1941 | Tuscumbia, Ala. | Mrs. Eunice Wilkerson |
| 1941 | Sylacauga, Ala. | Jasper T. King |
| 1941 | Scottsboro, Ala. | L. B. Wallace |
| 1941 | Fayette, Ala. | James P. Boyles |
| 1941 | Decatur, Ala. | F. I. Manker |
| 1942 | Fairfield, Ala. | R. H. Wilks |
| 1943 | Ozark, Ala. | Willie Morrow |
| 1943 | Ozark, Ala. | John H. Glaze |
| 1943 | Abbeville, Ala. | Miss Frances Head |
| 1945 | Attalla, Ala. | Newell LaFayette |
| 1945 | Carbon Hill, Ala. | Mrs. Edith Rutledge |
| 1945 | Iuka, Miss. | Harvey Brom |
| 1946 | Tallassee, Ala. | W. G. Baggett |
| 1947 | Homewood, Ala. | H. S. Hayne |
| 1948 | Moulton, Ala. | J. H. Reynolds |
| 1949 | Enterprise, Ala. | K. P. Morris |
| 1949 | Foley, Ala. | Cranston Teague |
| 1950 | Leeds, Ala. | Billy Barefield |
| 1950 | Gadsden, Ala. | C. W. Hackett |
| 1950 | Elba, Ala. | Willard Green |
| 1950 | Bessemer, Ala. | Marlin Brom |
| 1951 | Sheffield, Ala. | O. G. Hargett |
| 1951 | Corinth, Miss. | Orian E. Floyd |
| 1953 | Roanoke, Ala. | Harold D. Mason |
| 1954 | Auburn, Ala. | Walter G. Swann |
| 1955 | West Point, Ga. | Dalton Gentry |
| 1955 | Cullman, Ala. | P. C. Thomas |

Directors

MRS. V. J. ELMORE
President
Birmingham, Alabama

G. F. PARR
Vice President, Budgeting
Birmingham, Alabama

JOHN W. POWERS, JR.
Vice President, Real Estate
Birmingham, Alabama

W. F. RAINER
Chairman of the Board
Birmingham, Alabama

GRADY REYNOLDS
Reynolds & Reynolds Attorneys
Clanton, Alabama

W. A. WILLIS, JR.
Secretary and Treasurer
Birmingham, Alabama

Officers

| | |
|-------------------------|--|
| MRS. V. J. ELMORE..... | <i>President</i> |
| W. F. RAINER..... | <i>Chairman of the Board</i> |
| G. F. PARR..... | <i>Vice President, Budgeting</i> |
| JOHN W. POWERS, JR..... | <i>Vice President, Real Estate</i> |
| W. A. WILLIS, JR..... | <i>Secretary and Treasurer</i> |
| C. O. HESTER..... | <i>Assistant Secretary and Merchandise Manager</i> |
| R. N. HALES..... | <i>Assistant Secretary and Sales Manager</i> |

Other Executives

J. K. McRAE, *Supervisor*
C. H. SWEATT, *Supervisor*
W. W. WHITTLE, *Supervisor*

L. T. CRENSHAW, *Buyer*
J. D. LIETCH, *Buyer*
J. D. ROBINSON, *Buyer*

C. A. McSPADDEN, *Assistant Manager*
Real Estate Department

T. C. CASADAY, *Editor*
Company Publication and
Service Department



